

Stadium-led regeneration

Regeneration Committee

Introduction

London's football clubs are an integral part of the capital's sporting economy. In the 2014/15 season London will be home to seven Premier League, four Championship, one Football League One, two Football League Two, and five Conference football clubs. A number of other clubs play in the regional Ryman League and other divisions.

Several clubs have announced proposals to expand their stadium capacity, either by redeveloping their current premises, or building a new stadium. Stadium development depends upon close collaboration between football clubs and public bodies,¹ and proposals can present opportunities for neighbourhood regeneration.

London's highest profile regeneration programme – catalysed by the 2012 Olympic and Paralympic Games – has, at its heart, a successful community legacy for the Olympic Stadium. Recent and current examples of stadium-led regeneration, show, however, that identifying shared regeneration outcomes – and achieving them – is disputed and complex.

The Mayor's role in stadium-led regeneration

The London Plan sets out the Mayor's levers to influence regeneration around sports stadia. It commits the Mayor to supporting the continued success of professional sporting enterprises, and requires that in planning, developments should *'address deficiencies in facilities and provide a*

cultural focus to foster more sustainable local communities'. It also:

- Requires large sports facilities providing for spectator sports to deliver broader community benefit, enabling them to *'host a wide range of other community activities,'*² and
- Commits to working with local stakeholders to promote and develop sporting facilities.³
- Requires borough Local Development Frameworks to enhance the *'economic contribution and community role'* of sporting developments.⁴

The Mayor and GLA's role in stadia development programmes in London differs according to the size and funding arrangements for the scheme; for example:

- Football stadia schemes can be referred to the Mayor because they meet specific planning thresholds, which may relate to mixed uses (e.g. housing), height and size of the development for example. The GLA can recommend the Mayor approves the plans and the local authority determines the outcome, or he could use his 'call in' powers to determine the application himself.
- In the case of Tottenham Hotspur FC, the Mayor has provided some funding to facilitate development around the club's planned new stadium (see p. 3). The Mayor has also appointed Neale Coleman as Chair of the Tottenham

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Joint Strategic Forum which oversees regeneration in Tottenham.

- At the Olympic Stadium, the Mayor is Chair of the LLDC, which is responsible for the regeneration legacy to be delivered through the Olympic Park and venues.

Terms of reference

The purpose of the Committee's investigation is to:

- Review evidence from past and current stadium-led regeneration schemes to assess the benefits of stadium development programmes to both football clubs and local communities;
- Review the role of the Mayor in stadium regeneration schemes and assess the extent to which his objectives for stadium-led regeneration in the London Plan are being met; and
- Develop recommendations for the Mayor to ensure current stadium development schemes – in particular the Olympic Stadium – deliver a genuine regeneration legacy for local communities.

Background

Why stadium-led regeneration matters to London

London is home to the UK's newest and highest profile taxpayer-funded stadium. The 80,000-seater Olympic Stadium – centrepiece of the 2012 Olympic and Paralympic

Games – cost £429 million to build.⁵ Following the Games, it is now undergoing transformation at a cost of £154 million, to be converted into a 54,000-seater stadium, for use by permanent tenant West Ham United FC (WHUFC), alongside athletics in the summer months and entertainment.⁶

Ensuring that the Olympic Stadium has a future that is both economically viable and produces a community regeneration legacy is essential, because few past Olympic stadia have delivered a significant legacy for their host cities. In Beijing, the £354 million Birds' Nest stadium remains underused as a sports venue, relying on funding from commercial events, government subsidies and visitor revenues.⁷ The Olympic Stadium in Athens – redesigned for the 2004 Games – hosts some football matches, but it is reported to be unsatisfactory, having not been adapted for the purpose.⁸

Past Olympic stadia have varying successes in retaining tenants. In Barcelona, amid its many regeneration successes, the Estadi Olímpic Lluís Companys at Montjuïc has failed to secure a long-term legacy. While it was used until 2009 by football club Espanyol, it is now only partially used for international matches.⁹ The stadium used for the 1996 Atlanta Olympics has since hosted baseball, but it is now facing demolition. On the other hand, the AUD \$690 Stadium Australia built for the 2000 Sydney Olympics is used as a venue for major sporting events such as cricket

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and rugby, having been downsized from 110,000 to 83,000 seats.¹⁰

Throughout the development of the Olympic Stadium, the Assembly has consistently emphasised the need for the venue to be a community asset which benefits the new communities at the Park and across the wider sub-region. The London Legacy Development Corporation (LLDC) wants the Stadium to be used for more than football, and we want to ensure that it keeps this commitment to Londoners and the UK as a whole.¹¹

Key issues for the investigation

The investigation will gather evidence to assess the extent of neighbourhood regeneration through and near football stadia by examining the following issues.

- **Football clubs' contributions to local services.** Local neighbourhoods can benefit from football stadium developments as a result of Section 106 agreements; funding improvements to the local environment and amenities. There may be gaps between the investment promised to local communities and final contributions, however. For example, the planning stages of Arsenal FC's Emirates Stadium envisaged a proposed contribution of £7.6 million for transport improvements; the majority of which did not materialise.¹² In Tottenham, there is some controversy over the contributions that Tottenham Hotspur FC (THFC) will make to public works, which have been

reduced since the original planning agreement.¹³ A proportion of the Mayor's Regeneration Fund – £18m – has been allocated to regeneration in North Tottenham, which will include funding for public realm improvements outside the stadium, along with station enhancements at White Hart Lane. The Committee will examine how local authorities use Section 106 and the Community Infrastructure Levy (CIL) to fund investment in local priorities.

- **Community use and job creation.** The Committee will examine how planned stadium developments provide community benefit. Members could draw on lessons from examples such as Manchester City FC's (MCFC) Etihad Stadium, built with public sector funding for the 2002 Commonwealth Games.¹⁴ The club has a Community Use Agreement (allowing community bookings and activities) to ensure that local communities benefit from the stadium as part of the regeneration of East Manchester.¹⁵ MCFC has planning permission to expand its seating capacity from under 48,000 to just over 62,000;¹⁶ it expects to create new jobs, and it has a commitment to recruit 80 per cent of employees locally.
- **Effects on the local business environment.** Stadium development can attract wider economic development, but it can also have an impact on existing local businesses. Premises may be compulsorily purchased, or incumbents may suffer from increased rents. In the case of Tottenham

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Hotspur FC's proposals, several businesses at Wards Corner Market have long-standing concerns about the loss of their trading premises.¹⁷

- **New residential provision** is – increasingly – a feature of stadium development, with developer confidence boosted by clubs' investment.¹⁸ At Wembley Stadium, 520 new homes have been completed by Quintain, and there is planning consent for a further 1300 homes, including student accommodation.¹⁹ Opportunities can be mixed, however. While the new Arsenal stadium led to a £128 million development of 375 units by Barratt Homes and L&Q,²⁰ the club recently lost an appeal to construct new student housing, which it argued would have supported local regeneration.²¹ The Committee will also consider what provision is made for affordable housing in stadium development schemes.
- **Public and private funding to enhance regeneration.** New stadia can contribute to neighbourhood revitalisation, and research shows that high quality design can increase these opportunities, but it raises questions about who should pay. There may be little incentive for private sports clubs to invest in design, but taxpayer-funded approaches, on the other hand, can be controversial, given that benefits are generated locally and the biggest winners are property owners.²²

- **Property values and gentrification effects.** Research shows that sports stadia have 'a large and significant effect' on property prices, and that the market will often rise in anticipation of new stadia.²³ For example, the New Wembley Stadium added 15 per cent to the prices of nearby property, and the relocation of Arsenal to the Emirates Stadium led to increases near the new stadium.²⁴
- **Regeneration at both 'old' and 'new' stadium sites.** Stadium development provides scope for regeneration at the sites of both old and new stadium developments, as in the case of Arsenal FC. The investigation will examine how proposals treat both types of site.²⁵

Current stadium development proposals

A number of football clubs are currently engaged in stadium development plans, including West Ham, Tottenham Hotspur, Brentford, and Fulham.

The Olympic Stadium is currently being converted for use by **West Ham United FC** from the 2016/17 season, to seat 54,000 spectators.²⁶ The LLDC is responsible for ensuring the Stadium delivers a regeneration legacy for east London.

Tottenham Hotspur FC has gained planning permission to develop a new stadium next to its current ground, seating 56,000 people. The £400 million Northumberland Park Development scheme includes a new University Technical College and supermarket. It will sit alongside LB Haringey's High Road West scheme, comprising public realm and station

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improvements at White Hart Lane, and new housing at Love Lane to catalyse broader regeneration in Tottenham. The club anticipates the stadium could be ready for 2017/18.²⁷

Brentford FC plans to move from its current 12,673-seater stadium at Griffin Park to a new 20,000-seater venue at Lionel Road in time for the 2016/17 season. LB Hounslow and the government have approved the plans, which include 910 new homes.^{28,29} Some local groups have raised objections to the development on grounds including the impact of high-rise residential buildings on nearby Chiswick, a lack of additional social facilities, and negative impacts on traffic.³⁰

Fulham FC was granted planning permission in 2012 to extend its capacity to 30,000 (up from 25,700) by developing its Riverside stand. The club expects to create a new public river walk with cafés and public toilets, and the new facilities will be available to the community.³¹

Other proposals

In addition, plans for other stadium developments are on the medium and longer-term horizons.

Queen's Park Rangers (QPR) recently announced plans to build a new 40,000-seater stadium at Old Oak Common.³² The club is in discussions with the Mayor and the three local councils within the Park Royal Opportunity Area, which would benefit from major planned transport investment – creating an interchange between HS2 and

Crossrail. Construction of a stadium could catalyse further private sector development.³³

Reports also suggest that **Charlton Athletic FC** may have the option of moving from The Valley to a new stadium on Greenwich Peninsula. Greenwich Council has proposals for new multi-use sports facilities, entertainment and educational facilities as part of its Peninsula West Masterplan. A move could provide scope for housing development at The Valley.³⁴

For several years, **Millwall FC** has had plans to develop the area around its stadium. The club argues that residential, retail, hotel and office development, as well as a redeveloped community facility, will enable the club to generate non-football revenue to stabilise its finances and support regeneration of the surrounding area.³⁵ Reports suggest that the club and local council have failed to reach agreement on proposals for development around the new stadium, however. The council has recently arranged to sell the land around the stadium to another developer to build a new sports village in the Surrey Canal Triangle.³⁶

Past Assembly work

Previous Assembly work on stadia developments will inform this review. In 2003, the Culture, Sport and Tourism Committee³⁷ examined the role of Government and Mayoral intervention to enable football clubs to remain at their traditional grounds. In 2007, a Transport Committee

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review looked at travel to and from football stadia, exploring lessons from new stadia about transport infrastructure planning to deal with increased visitors.³⁸ It examined developments at Wembley and Arsenal stadia, highlighting the need for robust business costings ahead of planning agreements, in order to secure investment from football clubs in transport infrastructure. The Committee will use learning from the Wembley and Arsenal Emirates developments to make comparisons with current schemes.

More recently, the Assembly's former Economic Development, Culture, Tourism and Sport Committee carried out extensive work on the legacy of the Olympic Stadium, and we will draw on the Committee's findings this project.³⁹

How the Committee will conduct this review

2-stage process

This review will be conducted in two parts.

In the **first part of the investigation** (summer 2014), the Committee will gather and review evidence relating to past and current stadium-led regeneration schemes.

The Committee will use its meeting on **19th June** to discuss the impact of stadium development on clubs and communities. It will also consider lessons from completed stadium schemes involving clubs in London and elsewhere, such as Arsenal FC and Manchester City FC. The Committee will invite a range of

expert guests. At this meeting, we will investigate the following issues:

- Why are football stadia considered as catalysts for regeneration?
- What do football clubs see as their responsibilities in regeneration?
- What direct and indirect regeneration impacts might be expected from a stadium scheme?
- What unintended impacts can result from stadia schemes?
- What data exists to show the economic contribution stadium development makes to local regeneration? What metrics should be used to measure the regeneration impacts of stadium-led regeneration accurately?
- Are football stadia maximising their potential as community assets?
- How are councils working with football clubs to capitalise on regeneration opportunities to get the best deal for communities? What processes do they use to decide neighbourhood priorities for development contributions (e.g. transport/ public realm/ housing improvements)?
- To what extent have claims about regeneration around new stadia development been realised?

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Evidence gathered at the June meeting will set the scene for site visits in July. Members may visit several football grounds and clubs; including those that have undergone development of their premises – such as Wembley Stadium – and those currently engaged in development plans. The visits will be used to examine clubs' proposals for new stadia, the regeneration objectives they expect(ed) these developments to support, and the challenges and factors that affect(ed) whether these aims will be (or, were) met.

In the **second part of its review**, the Committee could use its meeting on **16th September** to invite guests from West Ham United FC, LB Newham, and the LLDC to discuss how they plan to deliver a regeneration legacy for east London through the Olympic Stadium. The meeting will also provide an opportunity to ask WHUFC about its proposals for supporting local regeneration at the club's current site, Upton Park. It will also be used to discuss the role of the Mayor and local authorities in other planned stadium schemes, such as Tottenham Hotspur FC and QPR.

Following the second meeting, the Committee will produce a report of its findings and recommendations in autumn 2014. The report's aim will be two-fold: to identify principles for effective regeneration around stadia – drawing on best practice examples – and to make recommendations to the Mayor about how he can use his powers to maximise the opportunities for regeneration in stadium development schemes, such as the Olympic Stadium.

How to contribute

Views from local communities and members of the public

We would like to gather views and opinions of local communities affected by the development of football stadia. In particular, the Committee would like to know:

- What impact local residents and businesses think stadium development has had on their lives in the local area;
- How community groups are involved and given a say in stadium-led regeneration programmes;
- What impact stadium-led regeneration has on local businesses, how businesses are consulted, and whether there are there negative impacts for local enterprises.

Written evidence

The Committee will also seek written evidence from a wide range of stakeholders. We would like to hear from the GLA and boroughs, football clubs, supporters (organisations and individuals), independent experts including academics, advisors and consultants, and community organisations. Please send written responses to any of the questions on pages 6–7 that are relevant to you or your organisation by email to [Jo Sloman: \[scrutiny@london.gov.uk\]\(mailto:scrutiny@london.gov.uk\)](mailto:scrutiny@london.gov.uk) by **15th August 2014**.

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About the Committee

The Regeneration Committee is tasked with monitoring and reviewing the Mayor's regeneration functions and spending decisions. This includes the Mayor's powers through the London Plan, which are being used to promote particular areas for regeneration, and the operation of his new Mayoral Development Corporation (LLDC) that covers the Olympic Park. Further information about the Committee's work is available [here](#).

End notes

¹ Culture, Sport and Tourism Committee, *Away from home – Scrutiny of London's Football Stadiums*, June 2003

² London Plan (2011), Paragraph 3.111

³ London Plan (2011), Policy 3.19

⁴ London Plan (2011), Policy 4.6

⁵ ODA, October 2012, [London 2012 Olympic and Paralympic Games Quarterly Report](#), p.12

⁶ <http://queenelizabetholympicpark.co.uk/news/news-articles/2014/1/major-legacy-milestone-in-transformation-of-the-stadium-at-queen-elizabeth-olympic-park>. These costs are being met by a combination of the LLDC, WHUFC, LB Newham, central government, and original funding set aside in the public sector funding package for the Games; MQ 2013/1763

⁷ <http://www.theguardian.com/sport/london-2012-olympics-blog/2012/jul/26/2008-olympics-birds-nest-beijing>

⁸ <http://www.buildingconservation.com/articles/olympic-architectural-heritage/olympic-architectural-heritage.htm>

⁹ <http://www.standard.co.uk/news/lessons-of-barcelona-1992-games-provided-model-for-london-and-few-warnings-6382929.html>

¹⁰ <http://www.cbsnews.com/news/olympic-challenge-how-do-host-cities-fare-after-the-games/>

¹¹ Regeneration Committee (December 2013) *The work of the LLDC, one year on*

¹² Transport Committee, *A Question of Sports Travel – A review of arrangements to and from London's sports stadiums*, October 2007

¹³ <http://www.theguardian.com/football/2013/oct/30/tottenham-new-stadium-fury-regeneration>

¹⁴ Funding sources included Manchester City Council, Sport England (Lottery Fund), European Regional Development Fund and Government programme sources; <http://www.mcfc.com/The-Club/Stadium-Future/Stadium-History>

¹⁵ <http://www.mcfc.com/The-Club/Stadium-Future/How-might-the-proposals-affect-local-residents>

¹⁶ BBC News, 31 March 2014, [Manchester City's Etihad Stadium to be expanded in two phases](#)

¹⁷ Planning Resource, *Grounds for hope*, 15 May 2009

¹⁸ Estates Gazette, *A winning combination?* 1 June 2013

¹⁹ Estates Gazette, *A winning combination?* 1 June 2013

²⁰ Estates Gazette, *A winning combination?* 1 June 2013

²¹ Daily Mail, 31 March 2014, [Arsenal lose appeal over plans to build 25-storey tower block next to the Emirates](#)

²² Ahlfeldt G.M. and Kavetsos G. (2014) *Journal of the Royal Statistical Society*, Vol 177, Part 1, pp. 169-190

²³ Ahlfeldt G.M. and Kavetsos G. (2014) *Journal of the Royal Statistical Society*, Vol 177, Part 1, p. 171

²⁴ Ahlfeldt G.M. and Kavetsos G. (2014) *Journal of the Royal Statistical Society*, Vol 177, Part 1, pp. 169-190

²⁵ Regeneration & Renewal (2009) *Game On*, p. 21

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²⁶ <http://www.olympicstadium.whufc.com/>

²⁷ BBC Sport, 2 April 2014, [Tottenham Hotspur: New stadium ready for 2017 say club](#)

²⁸ BBC News London, 6 December 2013, [Brentford Football Club given Lionel Road stadium go-ahead](#)

²⁹ Planning Resource, 14 March 2014, [No call-in for Brentford FC stadium scheme](#)

³⁰ For example, Chiswick Action Group, [CHRAG response to planning application for development of new Brentford Football Stadium](#)

³¹ <http://www.fulhamfc.com/stadium-development/design-concept>

³² <http://www.qpr.co.uk/news/article/121213-new-stadium-plans-1232327.aspx>

³³ Mayor, 13 December 2013, [Sports stadium could be catalyst for transformation of Old Oak Common](#)

³⁴ For example, South London Press, 26 November 2013, [Charlton takeover talks linked to Greenwich Peninsula move](#) and <http://853blog.com/2014/01/12/will-charltons-pitch-problems-flush-out-ground-move/>

³⁵ <http://www.millwallfc.co.uk/news/article/plans-of-our-own-1338284.aspx>

³⁶ <http://www.eastlondonlines.co.uk/2014/02/lewisham-council-defends-decision-to-sell-land-surrounding-stadium-amidst-anger-from-millwall-fc/>

³⁷ Culture, Sport and Tourism Committee, *Away from home – Scrutiny of London's Football Stadiums*, June 2003

³⁸ Transport Committee, *A Question of Sports Travel – A review of arrangements to and from London's sports stadiums*, October 2007

³⁹ For example, the [EDCST Committee](#) produced a report on the post-Games use of the Olympic Stadium in September 2010